



Chartered
Institute of
Housing
Scotland

Scottish Housing 2024

What the sector wants

February 2024

1. Introduction

The Scottish Government is expected to introduce a Housing Bill ahead of the Parliament's summer recess. The Bill is expected to cover some of the commitments set out in [Housing to 2040](#) and the draft rented sector strategy, [A New Deal for Tenants](#). While the detail of the Bill is still being developed, we expect it to include:

1. A new duty for all social landlords to introduce a domestic abuse policy
2. A new homelessness prevention duty
3. A national system of rent control for the private rented sector (PRS)
4. Greater rights for tenants to personalise their homes and keep pets

We want to make sure that housing practitioners voices are reflected in the legislation and as such, CIH Scotland undertook a range of engagement activities between June and December 2023 with members and stakeholders, including:

- An online survey
- Two online workshops for CIH members
- An in person event for CIH members and Scotland Board members
- An online event for the wider housing sector in partnership with ALACHO
- A stakeholder roundtable on professionalism
- Face to face discussion with senior leaders across the rented housing sector

CIH Scotland members were also encouraged to host discussions in their own organisations and provide comments. In total, we received feedback from over 160 individuals across the social and private housing sector and third sector and this position paper sets out some of the changes we want to see in any upcoming housing legislation.

However, housing policy and practice is determined by more than legislation and as such we have noted other priority areas where we want to see the Government make a policy response in 2024. This paper reflects CIH Scotland's policy priorities for 2024.

2. What we expect will be in the Housing Bill and what needs to change

2.1 Domestic abuse policy requirement

In 2022, the Scottish Government committed to using the Housing Bill to include a new duty for social landlords to develop and implement a domestic abuse policy which will set out how they will act to support victims of domestic abuse and prevent homelessness as far as possible.

This pledge was made ahead of the analysis CIH Scotland carried out with Scottish Women's Aid to see how many landlords had a domestic abuse policy in place and how many of these were fit for purpose. We found that of the 73 social landlords that had signed the commitment, only 41 had a policy in place and only nine had met the standards of the CIH Scotland/Scottish Women's Aid good practice guidance published in 2019.

What the housing sector told us

There is support for the principle of introducing mandatory domestic abuse policies, but our members and stakeholders made it clear that training and resources would also be required to improve outcomes for victims of domestic abuse. Feedback noted:

- Staff need training to understand their role in supporting victims of domestic abuse and strong partnership working is required across agencies
- Housing Options Hubs could play a role in disseminating training and sharing best practice through the housing sector.

What the Bill needs

The proposals for the Bill are welcome but social landlords need guidance, support and resources to be able to implement effective change and prevent homelessness resulting from domestic abuse. Further action is also needed to support victims of domestic abuse living in the social and private rented sector including:

- The development of a national training resource on domestic abuse and housing
- A national leaving fund, after the end of the pilot in March 2024, to support victims who want to leave perpetrators, but cannot afford to do so.

2.2 Homelessness prevention duty

The Bill is expected to set out a framework for a new homelessness prevention duty based on the Prevention Review Group (PRG) [recommendations](#) and a Scottish Government [consultation](#). Further details would be introduced in secondary legislation or regulations/guidance following further consultation.

What the housing sector told us

There is general support for the principles of a prevention duty and the fact that it could help to reinforce the message that homelessness is not just a housing issue. Tackling homelessness needs committed partnership working to improve outcomes for individuals and families. However, the lack of detail about what could be included in the Bill and how measures might work in practice was a cause for concern.

Common concerns with the proposals include:

- Lack of clarity about the roles of different bodies, how they would interact and who would be accountable for different actions
- Potential issues with data sharing between different bodies, including real or perceived legal barriers. There is potential for additional bureaucracy to introduce complexity if not thought through
- Lack of clarity around what “ask and act” would mean in practice and potential for the duty to become a referral route into homelessness services without any real prevention activity taking place. If this does occur, local authority homelessness services are likely to experience increased demand and will require additional resources
- There is a lack of clarity on the resources that will be available for training to support staff development. This will be particularly important for staff outwith the housing sector who will need an understanding of the housing/homelessness system
- A new prevention duty will not address issues with lack of affordable housing supply - more needs to be done to ensure there are appropriate housing options for people who are homeless or at risk of homelessness
- Not including GPs within the new duty would be a missed opportunity.

What the Bill needs

Partnership working to be strengthened with appropriate training and staff development to ensure all parties are aware of their roles and responsibilities.

There is also a need to work towards real preventative spend where budgets are more flexible and focussed on good outcomes for people, not departmental targets.

CIH members want health and social care partners to be included in the new duty and believe the decision to exclude GPs is disappointing and undermines the intention of the legislation. Local health services provide an important point of contact for people who may not be willing or able to access support from another public body.

Critically there is a need for additional funding for local authorities to manage the additional responsibilities and workload from a new prevention duty.

2.3 Rent control

The Scottish Government has committed to introduce a national system of rent control with local flexibilities for the PRS. While the details are not yet confirmed, we expect that local authorities will be required to regularly report to Ministers on market conditions in their area and recommend whether or not a cap on rent increases should be applied. Ministers are expected to have the final say on any recommendations. Although at this stage it is not clear what data would be required to support recommendations or how this would be collated.

What the housing sector told us

There were deep concerns about the potential unintended consequences of capping rents in the PRS and the negative impact of the emergency cost-of-living legislation. Concerns included:

- Rent freezes or caps in the PRS will lead to some private landlords selling up, risking evictions and homelessness for current tenants, and reducing the overall supply of homes in the PRS. This would further increase pressure on homelessness services and increase demand for social and affordable housing
- Limiting rent increases could discourage landlords from investing in repairs and improvements to their properties resulting in a reduction in the standard of homes in the PRS
- There is a lack of data to support the need for intervention in rents in the PRS
- Longer-term rent control will impact social landlords with mid-market rent (MMR) properties and may discourage future investment in delivering new homes.

Respondents did consider there was scope to improve the rent adjudication process to support affordability in the PRS. For example, if a tenant asks for a proposed rent increase to be reviewed, there should not be an option for the rent to be increased above the level suggested by the landlord. Additionally, there was support for doing more to make private tenants aware of their rights to challenge rent increases.

What the Bill needs to reflect

We need a dynamic, accessible PRS in Scotland - it is a crucial housing option for tens of thousands of households, therefore if a new rent control regime is introduced for the PRS, it needs to be based on robust data to demonstrate the need for intervention. It should be flexible enough to deal with affordability issues in particular geographies and monitored for unintended consequences such as reducing PRS supply, encouraging rent increases between tenancies, and discouraging investment in repairs and improvements.

Given the likely impact on supply of rented accommodation from the rent control proposal it is vital that a mechanism is developed to leverage additional government funding for more social housing if local rent controls create unintended and undesirable consequences, as specified above.

2.4 Tenants' rights

We expect the Bill to cover a number of areas in relation to strengthening tenants' rights including:

- Allowing tenants more flexibility to personalise their homes such as changing the decoration or making adaptations
- Allowing tenants to keep pets unless there is a good reason not to.

We know that the ability to make a house a home is important to the experience of tenants across different tenures, can contribute to good working relationships between tenants and landlords, and help to support tenancy sustainment. However, it is clear that guidance would need to be developed to set out tenants rights and limitations, and the circumstances under which it may not be reasonable to allow personalisation or pets.

What the housing sector told us

There is general support for greater rights for tenants around personalisation and allowing tenants to keep pets which can help to make a house more like a home. It was also noted that allowing pets in rented homes as standard would open up more options for pet owners who may not consider moving without their pet. However, there is a lack of clarity around how these proposals would work in practice. For example:

- There is support for the concept that decorating and personalisation should be allowed as long as it is done to a high standard
- Pets can cause damage to properties (particularly furnished properties) which could be costly to reinstate at the end of the tenancy
- There would need to be clear policies in place setting out rules and expectations for pet owners. Some social landlords already have pet policies in place, and these could provide a good starting point for national guidance.

What the Bill needs to reflect

We believe that the New Deal for Tenants is an opportunity to improve standards and tenant experiences across both the private and social sector, and support proposals to allow tenants greater rights to personalise their homes and to keep pets. Tenancies in the PRS can be long-term and limiting an ability to personalise a property or have a pet undermines the principle that the property is the tenant's home. Clear guidance on the scope of personalisation and options for pet owners would help address this.

3. Beyond the Bill: What else we want to see

Housing to 2040 set out an ambitious agenda for change in the Scottish housing system, some of which will require legislation, whereas in other areas funding and policy leadership will determine the success of its programme. Beyond what we expect will be in the Housing Bill, we have set out some of policy priorities we want to see the Scottish Government pursue this year.

3.1 Professionalism

Scotland's rented sector manages around one million homes and is growing. It employs tens of thousands of practitioners to help manage these homes and support their tenants. The vast majority of landlords and staff across all tenures engage well with their residents and listen to them with respect.

The publication of Housing to 2040 makes it clear there will be increasing expectations on landlords, letting agents and housing practitioners to deliver even more value for tenants and a higher level of service for tenants across all tenures. As such, there is a responsibility on housing organisations to ensure they have a skilled, knowledgeable and ethical workforce that can improve housing outcomes for their communities.

However, the issue of workforce planning and development was not covered in Housing to 2040 and as far as we are aware, the Scottish Government is not considering any measures to support the profession within the new Bill. We think this is a missed opportunity and that the improvements in quality and tenant experience that the Scottish Government wants to achieve cannot be realised without a well-trained, supported, and motivated workforce.

What the housing sector told us

There is wide support for a national strategy on workforce development, professional development and careers.

Investing in qualifications, education and continuous professional development (CPD) builds assurance among social landlords and board/committees that staff have the skills and knowledge to deliver on tenants' priorities. Evidence shows that CPD requirements are highly valued for individual employees by giving them a foundation of knowledge and confidence to do their job well and for businesses as they offer ongoing confidence around compliance and consistency. All of which improves outcomes for tenants.

There was no widespread support for mandatory qualification for senior social housing managers as is being introduced in England. Instead feedback suggested a different way to support ongoing professional development in Scotland:

- A registration scheme for housing management practitioners could support increased professionalism
- The process of professional registration creates a public transparency around the skills and knowledge of housing practitioners and gives wider confidence to service users and stakeholders of the competency of the sector and the workforce
- As part of the registration scheme, all practitioners could be required to achieve a certified level of CPD. This would be determined by the registering body
- Individuals who are registered with other relevant regulatory bodies such as SSSC or HCPC would not be required to also obtain a housing registration
- Once registered, housing professionals would be able to access a range of resources to support their learning, improve their skills and confidence in their roles and meet their CPD requirements.

Feedback also noted that there has been no systemic approach to recruitment in the social housing sector and instead practitioners often consider themselves as having 'fallen' into housing. There was support for better understanding of the size and shape of the housing management sector in order to develop a workforce strategy for the future.

What the Scottish Government needs to do

To support a skilled, resilient and professional workforce, we want to see:

- A registration scheme for housing management practitioners to support increased professionalism. This would be supported by national standards of practice and CPD requirements for those working in housing management. This will ensure housing professionals are part of a dedicated workforce similar to social workers, teachers and nurses, ensuring they are supported to continually improve their skills and knowledge and make them better at their job on behalf of tenants
- The Scottish Government and Skills Development Scotland to work with the housing sector to conduct a review into workforce need over the next 20 years and to enhance pathways to join the profession.

3.2 Affordable Housing Supply Programme

The most recent Scottish Budget removed £200m from the affordable housing supply programme compared with 23-24; this reflects a 27% real terms cut in the budget over two years making it all but impossible to meet the 2032 target for delivering 110,000 extra affordable homes compared with 2021. The budget reduction is devastating for social house building and plans to end homelessness. The Scottish Housing Regulator has already warned about the risk of systemic failure and the response from RSLs in slowing down their development programmes, and in turn, the sector had made the case for more investment in the supply programme to address the increased costs of developing and the higher quality of homes. The Budget decision exacerbates risk of systemic failure in our housing and homelessness services.

In 2021/22, Regulator noted a rise in the number of RSLs reporting deficits in their analysis of the finances of the sector with 15 RSLs reporting deficits. This is the highest number recorded since 2014/15 when the data started to be collated and analysed in this way. We can expect that number to rise and the decision of the government to reduce investment in the sector, especially so unexpectedly, is likely to undermine investor confidence, further exacerbating the financial distress faced by social landlords.

What the housing sector told us

This funding cut puts a pause on development activity. Local authorities will likely now re-assess their recently approved Strategic Housing Investment Plans to ensure they are viable and many landlords are likely to refocus their attention on existing customers rather than those without a home. The consequences are a likely rise in homelessness applications, an increase in the use of temporary accommodation and longer stays in temporary accommodation.

In addition, we are likely to see upward and continued pressure on rent levels among social landlords to meet the increasing cost of delivering housing services. This will make all social housing more expensive and less affordable for tenants. Without such rents rises social landlords risk collapse.

We need leadership from Scottish Government. This means honesty about how we meet housing need and pay for 110,000 affordable homes by 2032, clear prioritisation about housing improvements and a commitment to work with the sector on benchmark rates, and how we break the link between housing and wealth to address the housing and homelessness emergency.

What the Scottish Government needs to do

- Review the pathway to achieve the 2032 target, including new benchmark rates that reflect the cost of building social and affordable housing
- Work with the sector to drive economies of scale, develop consortia and bring in external investment to support the building of social housing
- Allow social landlords to make determination about rent levels without political interference, based on costs of operating, national standards and delivery and consultation with tenants
- Commit to scaling up and front loading social housing investment in this Parliamentary term. Including a reversal of budget cuts announced for the year 24-25 and increased funding for 25-26 and 26-27.

4. Conclusion

The proposed Housing Bill will (likely) introduce a new duty for all social landlords to introduce a domestic abuse policy, create a new homelessness prevention duty, introduce greater rights for tenants to personalise their homes and keep pets and legislate for a national system of rent control for the private rented sector (PRS). There is a lot to welcome in the proposed Bill but the policy on rent controls causes us concern.

With the PRS demonstrably shrinking and social housing development following the same direction, we have concerns around the unintended consequences of capping rents in the PRS leading to a further collapse in supply of PRS homes. It is vital that any rent control policy is proportionate and based on robust data to demonstrate the need for intervention. If progressed, it should be monitored for unintended consequences such as reducing PRS supply, encouraging rent increases between tenancies, and discouraging investment in repairs and improvements. We are not confident that a rent control policy will be able to meet these policy goals.

However, the proposed legislation only informs part of the Scottish housing policy landscape. We ended 2023 with a decision from the Scottish Government to cut around £200m from the affordable housing supply programme and it is a decision that will put a pause on much development activity. Indeed, given the political involvement in rent setting last year now being met with reduced investment in the sector, we can expect that number to rise. These political decisions are limiting income generation and increasing costs, ultimately exacerbating the financial distress faced by social landlords.

CIH Scotland and its members are ambitious for Scotland's housing system, and we believe there is the opportunity for radical change which meets the ambition of Housing to 2040. This includes our desire to see housing recognised and supported as a dedicated profession - as we detail in this paper. However, at this time, we need a focus on housing supply and homelessness. We now need real leadership from the Scottish Government. This includes a new path to achieve the 2032 target, including new benchmark rates that reflect the cost of building social and affordable and commitment to scaling up and front loading social housing investment in this Parliamentary term. Including a reversal of budget cuts announced for the year 24-25 and increased funding for 25-26 and 26-27. Among the range of policies our members want to see progressed, this is the priority for Scotland's housing sector.



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